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Economic Intelligence Weekly 5 Mar 75 ER EIW 75-9

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Economic Intelligence Weekly

Secret
ER EIW 75-9
5 March 1975

Approved For Release 2000/09/14 : CIA-RDP86T00608R000500140009-4

Copy Nº 424

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ECONOMIC INTELLIGENCE WEEKLY

5 March 1975

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Overview

Economic Indicators in the Developed Countries show no signs of bottoming out. [redacted] 25X6 Output in France has declined since August, ending the year 11% below the July-August high.

25X6

25X6

25X6

Announcements of further layoffs underscore the continued weakness of the industrial economies in the first quarter. Unemployment has climbed to rates that are high by recent and historical standards. The seasonally adjusted jobless rate is about 7% in Canada and Denmark; between 3% and 4% in West Germany, France, Britain, and the Netherlands; and a postwar high of 2% in Japan. Even so, unemployment rates understate the seriousness of the recession since a growing number of workers have been put on short hours.

The continuing rise in business failures is yet another indication that the current recession will not end for several more months. [redacted] 25X6 Governments are confining rescue operations to case-by-case assistance to ailing businesses, fearing that an overall loosening in monetary policy will reaccelerate inflation and worsen trade accounts. We think that, rather than let major firms go down the drain, governments will almost always arrange for financial support, consolidation, or nationalization.

25X6

25X1A Note: Comments and queries regarding the *Economic Intelligence Weekly* are welcomed. They may be directed to [redacted] of the Office of Economic Research, Code 143, Extension 7892.

The World Grain Situation continues to ease, more so for wheat than for feedgrains. Since November, additional wheat has become available for export because 2 million tons less than predicted has been fed to livestock in the EC and the United States. Falling prices for US corn are the result of sharp reductions in US feedgrain consumption, only partly offset so far by higher foreign sales (see agriculture price chart).

Cutbacks by Major Copper Producers have narrowed the gap between supply and demand, spurring copper prices 7 cents a pound above January's two-year daily low of 54 cents (see metals price chart). LME copper stocks have declined for the last three weeks. (Confidential)

Articles

US-SOVIET TRADE: SLOWDOWN IN VIEW

The low-interest credit lines lately extended by France, the United Kingdom, and Italy to the USSR are making it tougher for US firms to compete for Soviet business. Recent negotiations with Sperry-Univac and Kaiser Aluminum suggest that Moscow is giving substance to earlier warnings that it can and will take its business elsewhere.

The Soviets, at the same time, have gone out of their way to say that they are still very much interested in increased trade with the United States. Negotiations are proceeding on several different fronts, and US firms will continue to receive some orders.

US Export-Import Bank credits, which were made available after conclusion of the 1972 US-Soviet trade agreement, stimulated Soviet orders for US equipment. From February 1973 to May 1974 the bank approved credits worth $469 million, which supported more than $1 billion in potential Soviet orders. By mid-1974, about $800 million in actual contracts had been signed against these credits.

US firms got about 20% of Soviet equipment orders placed in the West between October 1972 and June 1974, when the last major orders backed by the Exim Bank were placed. In contrast, in the second half of 1974, Soviet orders in the West totaled more than $3 billion, only $300 million with US firms. The slump was particularly pronounced during December, when Congressional debate on the Trade Act suggested increased restrictions on future Exim Bank lending. So far in 1975, about $60 million in equipment contracts have been signed with US firms.

Higher Interest Rates

Exim Bank credits are no longer available since Moscow renounced the 1972 trade agreement in January. Soviet purchases in the United States must be either made on a cash basis or financed commercially at much higher rates of interest. The USSR in recent months has received about $7 billion in low-interest credit lines from France, the United Kingdom, and Italy. Moscow also received about $1 billion from Japan a year ago. An additional $1-$2 billion in credits from Japan and Italy are likely in the near future.

Officials in Moscow had until recently been expressing confidence about prospects for US-Soviet trade despite the loss of Exim Bank credits. The chairman of the Soviet foreign trade bank said recently that $2-$3 billion in possible contracts were under discussion with US firms and that roughly $1 billion were in advanced stages of negotiation.

Later events indicate that Moscow may be slowing purchases in the United States.

- Last week, Sperry Univac was informed that a Soviet commitment to purchase an air traffic control system worth $50 million was overturned at higher levels in favor of a European supplier. Soviet negotiators said that the timing of the negotiations was unfortunate in view of the trade agreement imbroglio.

- Also last week, representatives of Kaiser Aluminum were told that there would be a five-six-year delay before the proposed development of aluminum processing facilities in the USSR could begin. Although Soviet negotiators mentioned the lack of Exim Bank financing, the postponement may be due partly to Soviet unwillingness to handle two major aluminum projects at the same time. Soviet-French negotiations on a similar deal are scheduled for completion this summer.

Competitiveness Hurt

The lack of Exim Bank credits will make US financing costlier than competitors' financing and will reduce the amount of US credit available.

- Interest rates on loans to finance US purchases would probably be 1%-2% above prime rates in the US and Eurodollar money markets.

- US banking regulations provide that loans to a single borrower cannot exceed 10% of a bank's capital and surplus. US bankers have reportedly told Soviet banking officials that $1-$1.5 billion in long-term credits could be raised over the next 12-18 months. Nonetheless, such loans would require broad support from the entire US financial community.

- Although Moscow could finance purchases through promissory notes carrying a lower interest rate, US firms would have to raise export prices to cover costs of discounting these notes on US markets.

Other Factors

The success of US firms will be influenced by other circumstances.

- The Soviets will continue to shop in the United States for the equipment, technology, and engineering skills unavailable elsewhere.
- In some cases, Moscow will choose to combine US know-how with equipment produced elsewhere. For example, a $300 million ammonia pipeline is being negotiated; US firms are to provide $100 million in technology and know-how, and the French $200 million in pipe.
- US firms willing to enter into agreements calling for long-term deliveries of Soviet products in repayment may be able to win major contracts. (Confidential No Foreign Dissem)■

* * * *

ECONOMIC AID TO LDCs AT NEW HIGH

Economic aid extensions to LDCs jumped 45% in 1974, to a record $33 billion. Spurred by increases in emergency aid, disbursements also reached a new peak of $20 billion.

Aid funded by OPEC countries accounted for one-third of the total aid commitments. Their emergence as major donors stemmed from the quadrupling of international oil prices, which (a) created an enormous new demand for aid, (b) eroded the foreign exchange position of the major industrial givers – the Development Assistance Committee (DAC) – and (c) ballooned OPEC foreign exchange receipts beyond any capability for domestic absorption.

The United States provided the largest amount of bilateral assistance, with $5.6 billion in pledges. Saudi Arabia and Japan followed with $2.5 billion each. Iran, West Germany, Kuwait, and the United Arab Emirates each kicked in roughly $1.5 billion.

Table 1

Estimated Economic Aid Commitments to LDCs 1974

Source	Billion US $
Total	33.4
Bilateral	24.7
DAC countries	12.3
OPEC countries	8.6
Communist countries	2.6
Other	1.1
Multilateral	8.7
World Bank group	4.6
IMF oil facility	1.2
UN	0.2
EC	0.6
Regional banks	1.8
OPEC and Arab institutions	0.3

Table 2

Estimated Bilateral Economic Aid Commitments, by Recipient
1974

Million US $

	Total	DAC	OPEC	Other
Total	**24,668** [1]	**12,324**	**8,631**	**3,713**
Near East	7,118	1,644	4,903	571
Of which:				
Egypt	3,596	625	2,724	247
Syria	1,677	143	1,243	291
East Asia	4,643	3,357	63	1,223
Of which:				
North Vietnam	1,323	220	3	1,100
South Vietnam	706	706	....	....
Africa	3,650	2,315	985	350
Latin America	3,426	2,079	219	1,128
South Asia	3,606	1,499	1,665	442
Of which:				
India	989	785	204	....
Pakistan	1,537	293	1,028	216
Other	2,225	1,430	795	....

1. Most Seriously Affected countries received estimated commitments of $6.3 billion, of which $3 billion was from DAC nations and $2.5 billion from OPEC.

Because of OPEC's emergence as a major donor, Egypt, Syria, and Pakistan suddenly bloomed as the leading beneficiaries of bilateral commitments. Moslem nations received 85% of total OPEC pledges. Most non-Moslem LDCs benefited little from the spurt in aid in 1974. The data show that

- DAC aid – at a somewhat lower level – was provided to the usual roster of some 100 LDCs;

- after Egypt, Syria, and Pakistan were taken care of, only about $3.5 billion of OPEC aid was left to be divided among 46 other LDCs;

- the 32 Most Seriously Affected countries (MSAs)* as a group received smaller commitments from their traditional aid suppliers in 1974 than in 1973. Increases in OPEC allocations raised total MSA aid by 50%; OPEC pledges had the additional advantage of more immediate disbursement.

* UN criteria that identify MSAs include low per capita income (not exceeding $400), sharp increase in import costs of essentials relative to export earnings, high ratio of debt service to export earnings, and low level of foreign exchange reserves compared with requirements.

Aid Disbursements

Bilateral aid disbursements of about $15 billion included $10 billion from DAC members, $3 billion from OPEC countries, and $2 billion from Communist nations. Multilateral aid disbursements of about $5 billion included more than $1 billion from the IMF oil facility and $2.0-$2.5 billion from the World Bank Group.

Prospects

The high level of global aid should continue in 1975. Although OPEC will continue to devote a large share of its aid to Moslem nations, the oil producers will expand their aid roster to forward their individual development interests. We also expect multilateral lending, especially by the IMF, to cover a larger share of LDC needs for external assistance. (Secret No Foreign Dissem)■

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PORTUGAL: ECONOMIC PROBLEMS, UNCERTAIN SOLUTIONS

Political turmoil has been the single most important factor affecting Portuguese economic developments since a military-led coup ended 50 years of authoritarian rule last April. Efforts to grapple with economic problems will be ineffectual until the political direction in Lisbon steadies.

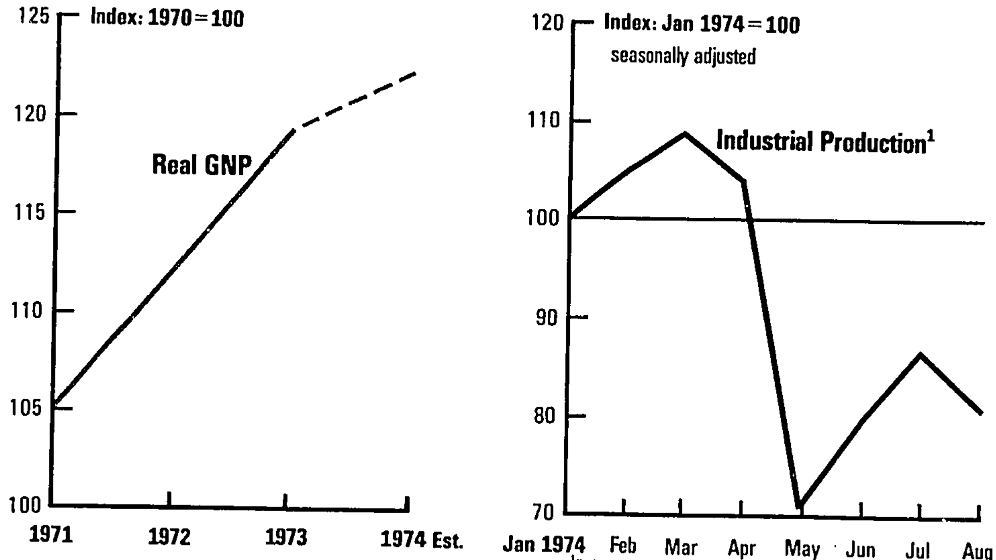
Recent Developments

Production data are sparse, a reflection of the new government's inability to cope with administrative detail amid continuing political upheaval. As best we can determine, industrial production has begun to recover from the estimated 35% plunge in the six weeks following the coup. Strikes have subsided since late summer, partly because workers have been pacified by huge wage increases. At the same time, tourism and other important activities remain depressed.

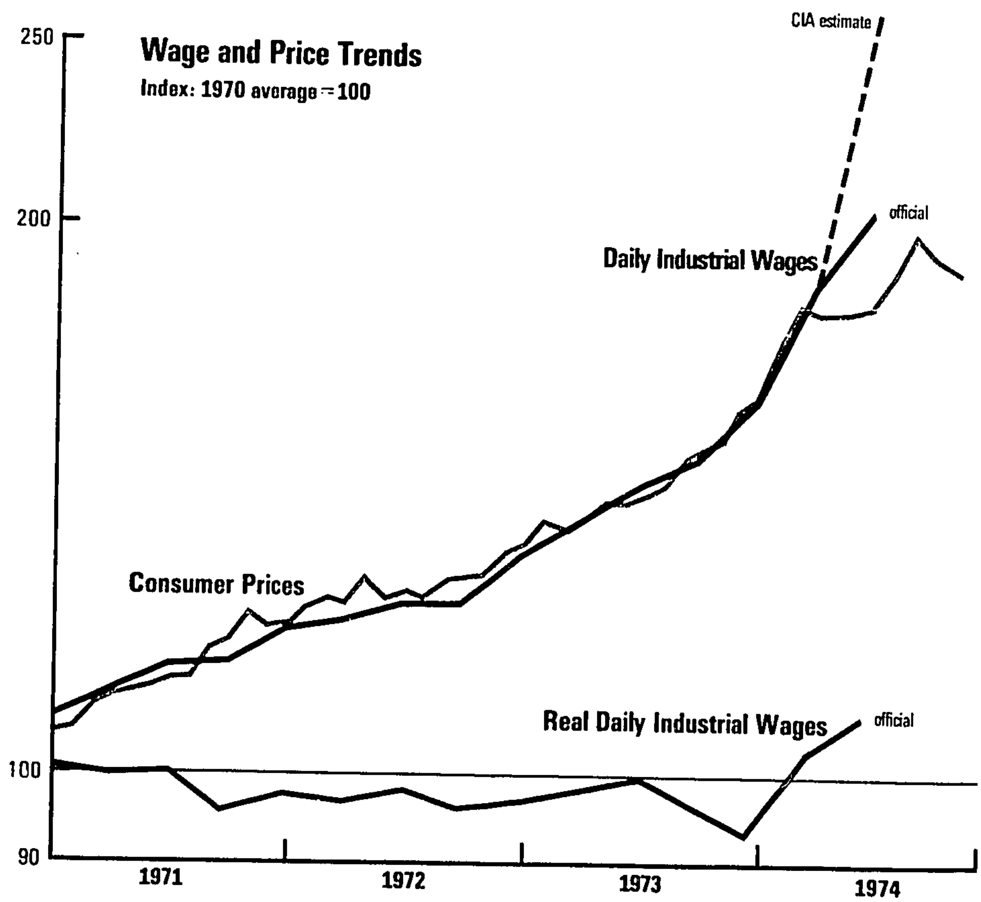
Unemployment is now the most critical economic problem. The growing body of jobless workers, mostly unskilled and uneducated, constitutes a particularly volatile element in the political tinderbox. At yearend, perhaps 200,000 people – 7% of the labor force -- were idle. The sharp increase in unemployment is the result of a combination of factors: industrial slowdown and political turmoil at home, worldwide recession, return of soldiers and settlers from the African provinces, and the diminishing ability of North European countries to absorb surplus Portuguese laborers.

PORTUGAL

GNP and Industrial Production



[1]Estimates of this office based on physical output data for 30 industries.



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Portugal: Balance of Payments

Million US $

	1971	1972	1973	1974[1]
Exports	955	1,353	1,927	2,160
Imports (f.o.b.)	1,584	1,947	2,642	3,460
Trade balance	-629	-594	-721	-1,300
Tourism	212	261	320	250
Other services	-73	-56	-157	-230
Transfers	664	873	1,097	1,000
Current account balance	174	484	539	-280
Long-term capital, private	76	62	-37	
Long-term capital, public	-12	-191	-104	-300
Short-term capital	-6	-137	0	
Errors and omissions	35	60	-56	
Surplus or deficit	**267**	**278**	**342**	**-580**

1. Estimated.

Inflation continues to be worse than in most Western countries; consumer prices went up about 25% last year despite a temporary price freeze following the coup. Wages lagged behind the price spiral until April. The drop in real wages was especially pronounced in the half year preceding the coup. This situation has changed sharply. The official wage index for the third quarter showed a 39% gain over the year-earlier level – more than offsetting the rise in prices. We estimate an even greater increase in wages in the quarter – an average of 75% in the 12 largest industries.

The trade deficit nearly doubled in 1974, to an estimated $1.3 billion. The rise in oil costs accounted for half of this increase. Net food imports jumped by $230 million because of higher consumption by low-income groups. A one-third increase in the traditional net earnings from paper, textile, and wood products, to $450 million, offset only a small part of the rise in imports. With invisible earnings also declining, the current account shifted from a $540 million surplus to a deficit of about $280 million. In addition, capital flight helped to push the deficit in the capital account to an estimated $300 million.

Outlook

The power struggle between moderates and leftists may be settled through elections for a constitutional assembly, now scheduled for 12 April, and through the legislative elections in the fall. In the interim, the Gomes government is trying – not very successfully -- to boost business confidence by pursuing a middle course. It has promised that a large part of the economy will be left to private enterprise, including foreign investors. A sharp increase in the government's economic role nonetheless is in the cards. At the minimum, Lisbon probably will assume control of natural resources, telecommunications facilities, and the energy industries.

Private enterprise can be expected to prolong its wait-and-see attitude until the political situation stabilizes. Mobil, Exxon, and Dow Chemical are among the firms that have canceled or deferred investment projects.

The jobless rate is likely to reach 10% this year as more soldiers return and a new crop of young people enter the labor force. To prevent still higher unemployment, Lisbon is pressing EC countries to be as accommodating as possible on the issue of immigrant workers.

The spiral of higher money wage rates and rapid price rises could be speeded up this year, especially in view of the government's weak political hold.

The trade deficit is expected to grow, while earnings from tourism and worker remittances continue to decline. Lisbon probably will obtain financial assistance from the EC and can also fall back on foreign reserves of $2 billion. It may also devalue the escudo, perhaps as part of an economic reform program of the government chosen next fall. (Confidential)

* * * *

DEVELOPED COUNTRIES: RISE IN BUSINESS FAILURES

The continuing rise in business failures in most developed countries is another indicator that the current recession is several months from bottoming out. Although the bankruptcy rate probably will remain high in early 1975, governments almost certainly will keep key firms from going under.

The Record in 1974

Business failures in West Germany and Japan rose 40% in 1974, a higher rate than in the typical postwar recession. In the first three quarters, French and British business failures rose to a combined total of 15,500, compared with 12,300 in the same period of 1973. The bankruptcy rate increased only slightly in the United States and actually declined in Canada, where the economic downturn came later than in other developed countries.

Firms were hard hit last year by tight credit, high interest rates, mounting production costs, and weakening demand. Miscalculating economic trends, many companies had overborrowed in 1973 to expand capacity. As demand sagged and inventories piled up, corporate cash flow fell drastically. At the same time, the decline in profit margins and stock prices left companies increasingly dependent on borrowed funds. With the rise in the number of companies defaulting on loans, banks backed off from lending to highly leveraged firms, thus tightening the vise.

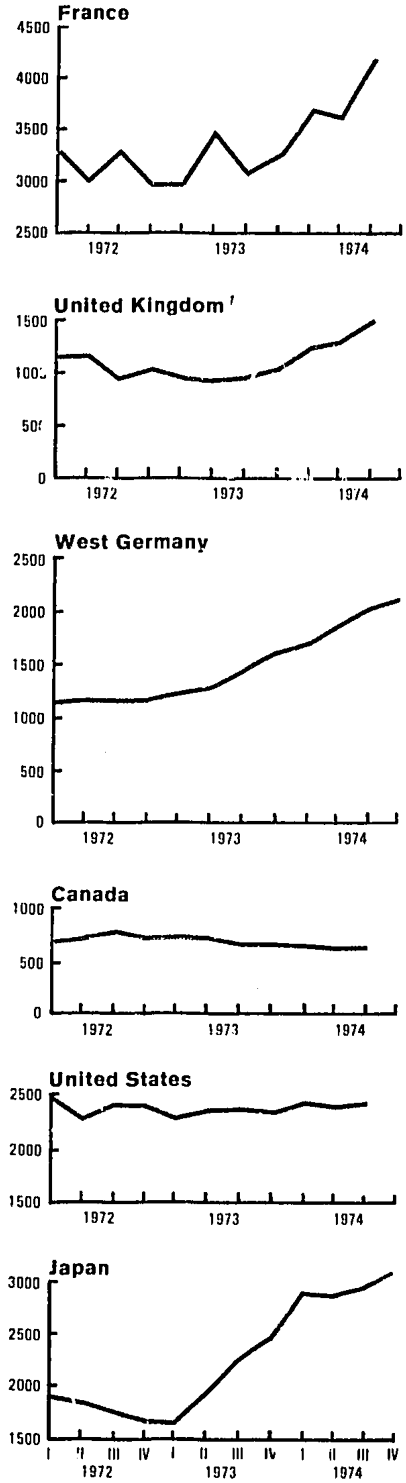
Business failures have been most common in the construction and wholesale industries, characterized by small, undercapitalized companies. Failures among manufacturing firms have also risen steeply. In West Germany, business failures in manufacturing jumped almost 60% in the first three quarters of 1974, compared with 40% for all sectors. In all countries, furniture companies and textile firms have been particularly hard hit.

Government Reaction

Fearing that a substantial loosening in monetary and fiscal policy would worsen inflation and the trade balance, most governments so far have responded only on a piecemeal basis.

DEVELOPED COUNTRIES: BANKRUPTCIES AND BUSINESS FAILURES

Seasonally adjusted



1. Bankruptcies only.

They have been willing to bail out individual companies by arranging for financial support, consolidation, or nationalization. At the same time, several governments, notably the French, have added to company woes by requiring generous unemployment compensation paid for by employers.

Programs to assist failing companies are broadest in Britain and Italy, where legislation has been on the books for several years. The British government has authority to extend credit to a firm if its collapse would be detrimental to the national interest. Under the law, the government has also guaranteed loans and occasionally taken over companies in dire straits. Recent takeovers include once prestigious firms such as British Leyland and Ferrantini. During its last recession, Italy set up a public company to aid troubled businesses by acquiring majority stock positions or by buying minority holdings while searching out merger partners.

Over the past several months, individual governments have taken the following actions.

- Tokyo has provided low-interest loans and, in a few cases, grants to small companies in trouble.

- Bonn has channeled $600 million from countercyclical funds into public works to stimulate the construction industry.

- London has proposed legislation allowing it to buy into firms that are unable to raise private capital.

- Paris has provided financial assistance to firms able to demonstrate that their difficulties stem from the general slowdown rather than from mismanagement.

- Rome has raised credit ceilings for the housing industry and for small and medium-sized firms in other industries.

At least two countries—Italy and Britain—will emerge from the current recession with increased government control of industry. Another potential result is acceleration of the trend toward consolidation of industrial firms. (Unclassified) ■

* * * *

IRAN: SLOWDOWN IN EXPANSION?

The Shah appears to be down-shifting his rapid drive for industrialization to bring it more in line with Iran's absorptive capacity. The change in tempo is marked by a tempering of earlier investment plans, a paring of deals for Western plant and equipment, and an increasingly hardnosed attitude on finances. The reduction in economic pace will both slow the use of short-term oil receipts and put off the day of their replacement by non-oil earnings.

Growth Problems

The breakneck rate of economic expansion was nourished initially by heavy borrowing and fed more recently by a quadrupling in oil revenues. The expansion now has outpaced internal ability to absorb all the new projects, even with the help of foreign advisers and foreign labor.

The port and rail facilities are overtaxed, and storage facilities are clogged because of the inadequate internal transport system. Little relief is expected in the short run -- additional road, rail, and port construction will take at least three to four years to complete. Transport difficulties have led to shortages of key raw materials, including coal for the Isfahan steel plant and building materials for copper development at Sar Cheshmeh.

Jobs, many calling for professional or technical skills, are being created at the rate of 1,000 daily -- 20% in excess of additions to the indigenous labor force. The Iranian Foreign Minister recently noted that "there is no magic pill one can prescribe to make illiteracy disappear overnight and give us enough technicians, engineers, and doctors." Heavy recruitment of foreign workers is under way. The lack of suitable housing and other amenities sets a practical limit on the number of importees.

Investment Deals Curtailed

Iranian officials acknowledge that fixed investment fell 10% short of goal last year. Several of the industrial deals covered in 27 protocols with the West and Japan for $15 billion worth of projects have recently collapsed or been placed in limbo:

- The obdurate Iranian position on pricing of oil for an export refinery and petrochemical plant to be built by West Germans all but doom chances for that deal.

- Harsh Iranian demands preclude early signing of an agreement with Japan for an export refinery.

- Prospects for a multibillion dollar steel complex clouded when Iran presented Italian negotiators with a series of new, stringent demands. This development has led the Italians to conclude that Tehran now considers the project too massive and expensive for Iranian capabilities.

- Foot-dragging by Iranian planners also is reported on projects earlier agreed to with France.

- Recent US efforts to enter into closer cooperation with Iran in industrial development are meeting with tough demands from Iranian negotiators

Impact on Development

These latest events will delay the development of export-oriented petrochemical and mineral industries. As originally programmed, non-oil exports would probably have accounted for $8 billion, or 30%, of Iran's foreign exchange earnings in 1979 compared with an estimated $1.8 billion, or 8%, of earnings in 1974. A slowdown in the rate of growth of non-oil exports coupled with a possible leveling off in oil earnings dampens the original outlook for foreign exchange receipts. We still expect non-oil imports to rise substantially.

To conserve foreign exchange over the next several years, Iran is tightening up on foreign lending and investment. In addition to reducing actual outlays, Iran has indicated that it will adhere to the lending guideline of "what's in it for Iran." Outright gifts, highly concessionary credits, and purely politically motivated loans will be few. Investment will be targeted on equities that yield badly needed technology (Krupp) or equipment (Pan Am). Loans will be limited to deals that promise increased supplies of favorably priced commodities (Indian iron ore) or to institutions (IBRD and IMF) that guarantee yields at reasonably high rates of return. (Secret No Foreign Dissem)■

* * * *

Note

Zaire: Deteriorating Foreign Exchange Position

The sharp drop in copper prices and improvident economic policies have precipitated a severe foreign exchange crunch in Zaire. The demand for imports has shot up because of runaway government budgets and nationalization policies that have spawned a large number of state enterprises supported by government loans. Kinshasa, dependent on copper sales for three-fourths of its foreign exchange earnings, is falling behind on current payments. Faced with a current accounts deficit of perhaps $10-$15 million per month, Zaire has sold all its gold reserves, trimmed nonessential imports, and angled for Arab loans. (Secret No Foreign Dissem)

Publications of Interest*

25X1B

[redacted]

World Rice Outlook, 1975
ER IR 75-5, March 1975, Confidential

The world paddy rice harvest in crop year 1974/75 is projected at 315 million tons – slightly less than last year's record output. Export supplies for 1975, however, should increase by a million tons, to 8.7 million tons. Since import demand is estimated at 7.7 million tons, prospects are for a weakening of rice prices. The price has already fallen from $650 to $440 a ton since early 1974.

* Copies of these publications may be ordered by calling [redacted] Code 143, Extension 7234. 25X1A

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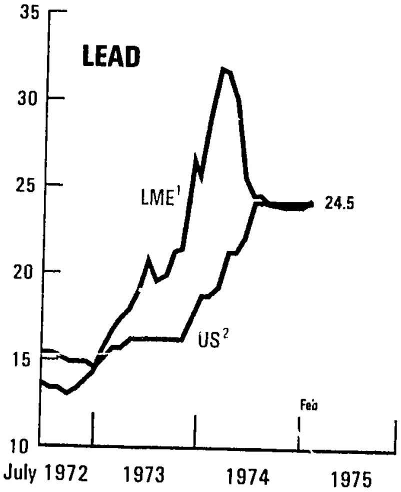
PRICES Monthly Average Cash Price

¢ Per Pound



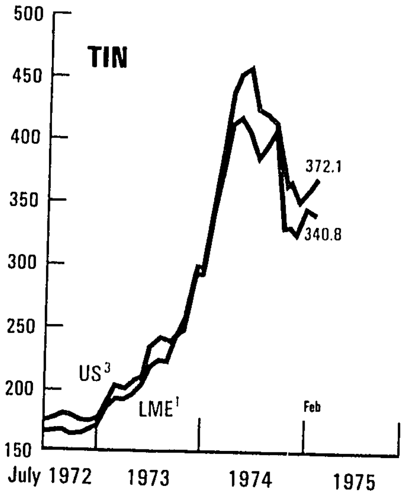
	LME	US
3 Mar	60.6	63.6
24 Feb	60.6	63.6
Jan 75	55.1	67.9
Feb 74	103.8	68.0

¢ Per Pound

	LME	US
3 Mar	24.9	24.5
24 Feb	24.8	24.5
Jan 75	24.3	24.5
Feb 74	29.4	19.0

SELECTED MATERIALS	Current	Oct 74	Jan 74	Jan 73
Aluminum Major US Prod., ¢/Lb	39.00	39.00	29.00	25.00
Steel Composite, $/LT	299.63	278.43	212.13	209.66
Iron Ore Non-Bessemer Old Range, $/LT	17.53	16.00	12.16	11.96
Chrome Ore Russian, $/MT	135.00	55.50	38.00	45.75
Chrome Ore S. Africa, $/LT	57.50	49.50	33.50	25.50
Ferrochrome US Charge, ¢/Lb	53.50	38.52	22.50	20.00
Nickel Major US Prod. Cathode, $/Lb	2.01	1.85	1.60	1.53
Manganese Ore 48% Mn., $/LT	67.20	54.72	52.80	31.40
Tungsten Ore 65% WO_3, $/ST	6,127.00	6,704.10	2,672.40	2,241.20
Mercury NY, $/76Lb Flask	220.00	265.36	275.54	282.50
Silver LME cash, ¢/Troy Oz	453.20	480.20	360.29	200.15

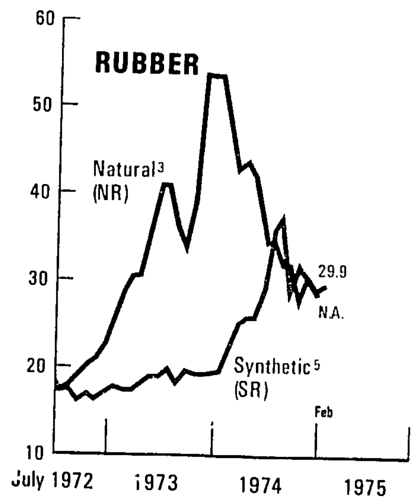
¢ Per Pound



	LME	US
3 Mar	37.0	38.0
24 Feb	36.2	38.0
Jan 75	36.2	38.0
Feb 74	68.6	31.9

¢ Per Pound

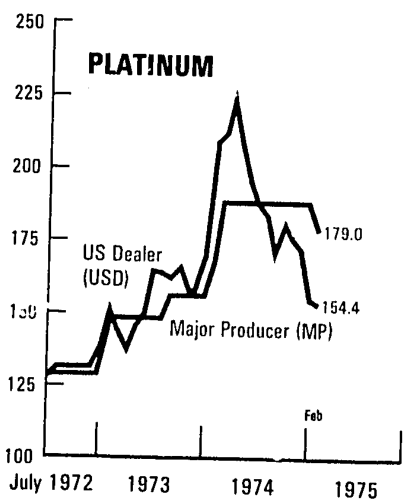
	LME	US
3 Mar	334.7	367.0
24 Feb	338.2	369.0
Jan 75	348.6	363.5
Feb 74	341.2	351.5



¢ Per Pound

	NR	SR
3 Mar	30.0	N.A.
24 Feb	30.0	N.A.
Jan 75	28.9	28.8
Feb 74	53.8	20.3

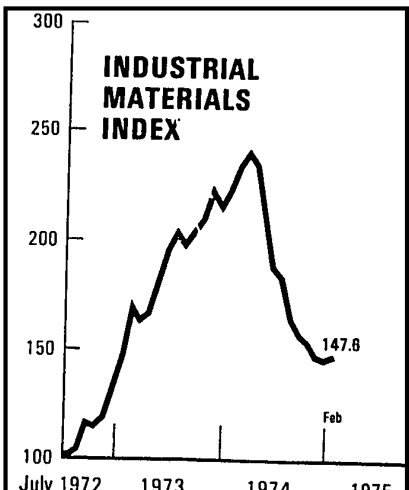
$ Per Long Ton



	US
27 Feb	81.83
24 Feb	78.67
Jan 75	79.50
Feb 74	104.30

$ Per Troy Ounce

	MP	USD
3 Mar	170.0	152.5
24 Feb	0.0	160.0
Jan 75	190.0	155.3
Feb 74	170.0	211.6

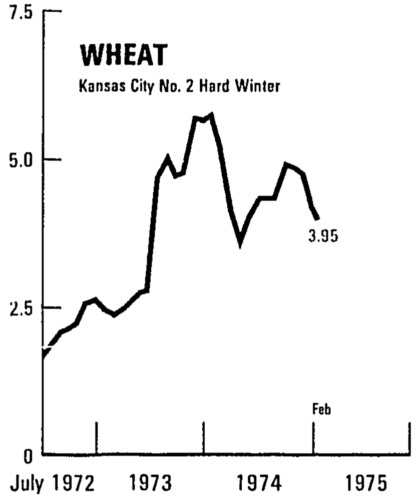


1970=100

This is a compiled index by the Economist for 19 raw materials which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

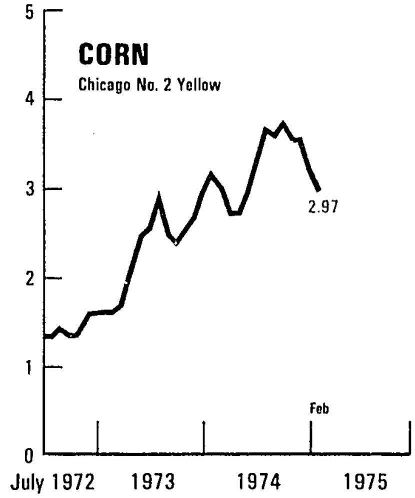
...ld producers and traders,
...ded on the LME.
... States.
... Philadelphia, and Pittsburgh.

AGRICULTURAL PRICES Monthly Average Cash Price



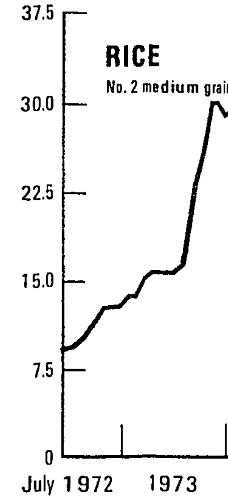
$ Per Bushel

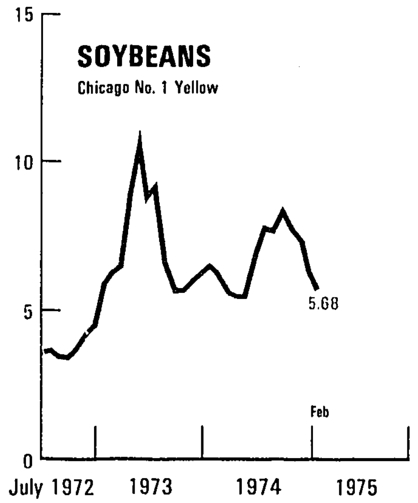
3 Mar	3.43
24 Feb	3.91
Jan 75	4.19
Feb 74	5.78



$ Per Bushel

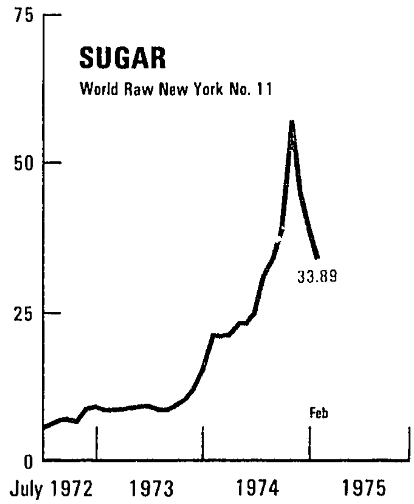
3 Mar	2.69
24 Feb	2.83
Jan 75	3.20
Feb 74	3.13





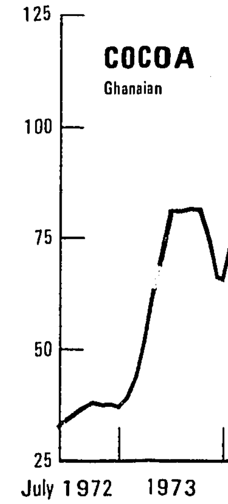
$ Per Bushel

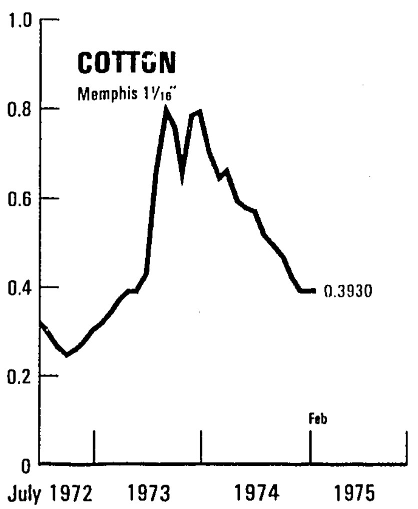
3 Mar	5.06
24 Feb	5.37
Jan 75	6.34
Feb 74	6.39



¢ Per Pound

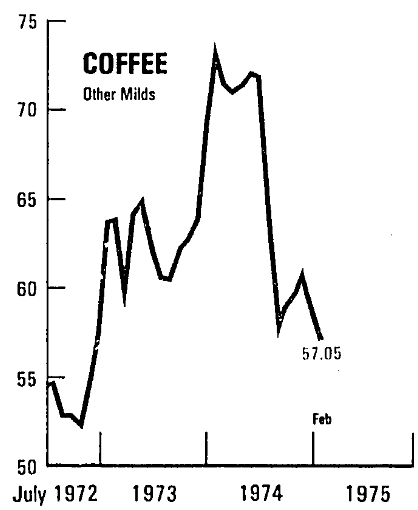
3 Mar	29.00
24 Feb	31.50
Jan 75	38.34
Feb 74	21.30





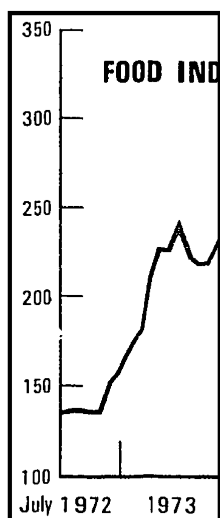
$ Per Pound

3 Mar	0.3975
24 Feb	0.3970
Jan 75	0.3904
Feb 74	0.7010



¢ Per Pound

3 Mar	54.00
24 Feb	55.00
Jan 75	58.43
Feb 74	73.50

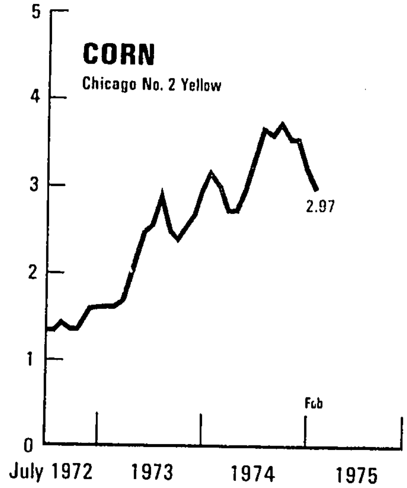


585318 3-75

Monthly Average Cash Price

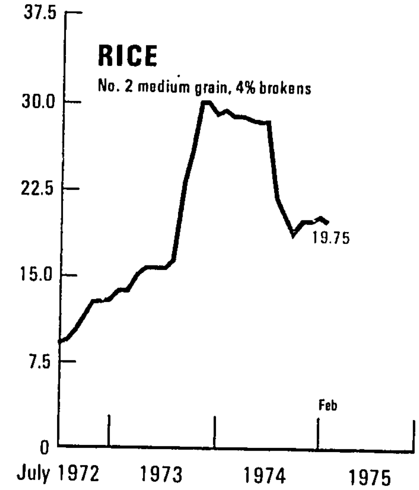
$ Per Bushel

3 Mar	3.43
24 Feb	3.91
Jan 75	4.19
Feb 74	5.78



$ Per Bushel

3 Mar	2.69
24 Feb	2.83
Jan 75	3.20
Feb 74	3.13

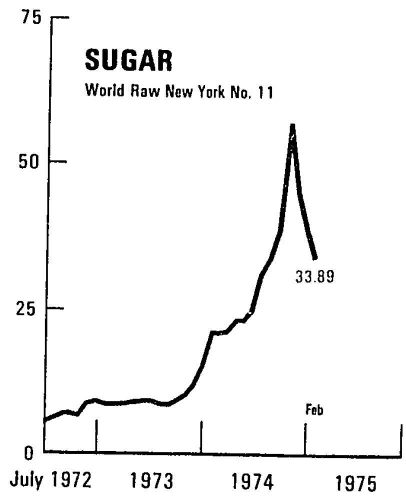


$ Per cwt.
f.o.b. mills, Houston, Tex.

24 Feb	19.50
17 Feb	19.50
Jan 75	20.25
Feb 74	29.50

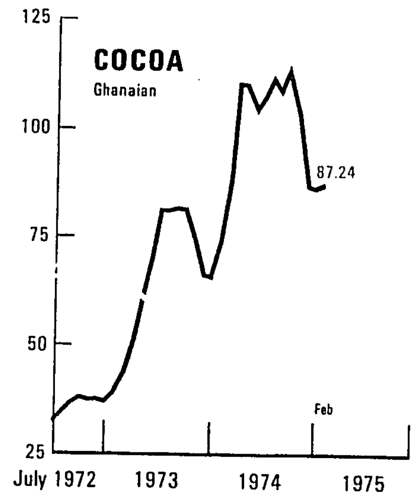
$ Per Bushel

3 Mar	5.06
24 Feb	5.37
Jan 75	6.34
Feb 74	6.39



¢ Per Pound

3 Mar	29.00
24 Feb	31.50
Jan 75	38.34
Feb 74	21.30

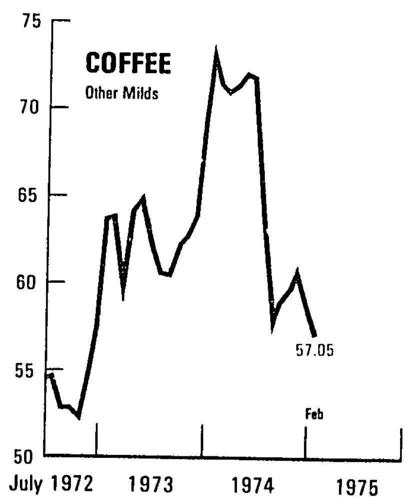


¢ Per Pound
New York price

3 Mar	85.25
24 Feb	87.00
Jan 75	85.90
Feb 74	74.40

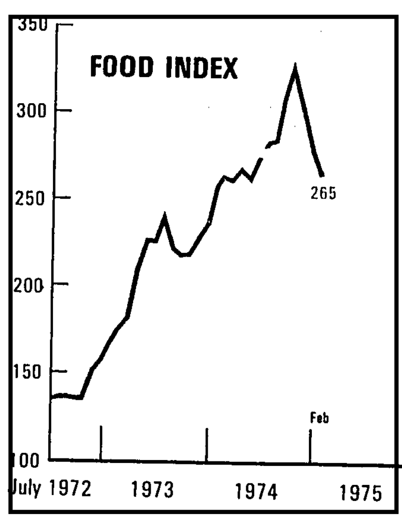
$ Per Pound

3 Mar	0.3975
24 Feb	0.3970
Jan 75	0.3904
Feb 74	0.7010



¢ Per Pound

3 Mar	54.00
24 Feb	55.00
Jan 75	58.43
Feb 74	73.50



1970=100

This is a compiled index by the Economist for 16 food commodities which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

 Approved For Release 2000/09/14 : CIA-RDP86T00608R000500140009-4